

The statutory PAYGO bill requires Congress to pay for tax cuts or increases in entitlement spending with other budget savings.

“Our nation must confront the enormous deficits and debt we’re facing,” Congresswoman Kaptur said.

“By passing statutory PAYGO, the House has taken a step in favor of fiscal responsibility. Congress should make the same hard choices that families make when they balance their own budgets.”

The House-passed PAYGO bill is similar to the law that was in place during the Clinton Administration, which helped turn massive deficits into record surpluses. Congress allowed these rules to expire in 2002, which contributed to the deterioration of the budget position from a projected surplus of \$5.6 trillion to projected deficits of more than \$11 trillion.

Exceptions are authorized in the event of a national emergency so that Congress can respond quickly if necessary. The bill contains consequences for not paying for legislation, which will ensure compliance with the PAYGO rules: if the net effect of all legislation enacted during a session of Congress increases the deficit, the law would implement a sequester (across-the-board reduction in certain mandatory programs). Programs that assist low-income Americans would be protected, as would Social Security, and the effect on Medicare would be limited.